

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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November 30, 2004

FROM: **DAVID H. SLAUGHTER**, Director
Real Estate Services Department

SUBJECT: **LEASE AGREEMENT WITH ROBERTA SCHNEIDER AND MELINDA IVEY**

RECOMMENDATION: Approve a four-year lease agreement with Roberta Schneider and Melinda Ivey for 732 square feet of office space for the Third District Supervisor (Third District) in Yucca Valley in the amount of \$38,400.

BACKGROUND INFORMATION: On March 27, 1997, the Director of Real Estate Services Department (RES D) approved a two-year lease agreement, No. S97-009, with three two-year options to extend with Roberta Schneider and Melinda Ivey for 732 square feet of office space located at 57407 Twentynine Palms Highway in Yucca Valley. The space is used by the Third District Supervisor as a field office. The original term of the lease was from February 28, 1997 through February 28, 1999. In the seven years since the lease was originally approved, the Director of Real Estate Services approved two amendments, which are summarized below:

<u>Amend. No.</u>	<u>Approval date</u>	<u>Action</u>
1	Jan. 27, 1999	• Exercised the first of three two-year options extending the term to February 29, 2001
2	Feb. 26, 2001	• Extended the term three years to February 28, 2004 • Eliminated the remaining two two-year options

On March 1, 2004, the lease went into holdover while the Third District considered whether or not to continue an operation in the Yucca Valley area. The Third District decided that to properly provide services to its constituents, it needed to maintain an office in the Yucca Valley Area. With no further options remaining to extend the term of the lease, the Third District requested RESD initiate the appropriate processes to secure a new lease in the Yucca Valley area. RESD completed a solicitation of proposal (SOP) process and the only response received was from the current landlord. RESD has negotiated a new four-year lease with two two-year options to extend at the current location.

The lease terms are summarized as follows:

Lessor:	Roberta Schneider and Melinda Ivey, owners
Location:	57407 Twentynine Palms Highway, Yucca Valley
Size:	732 square feet
Term:	Four years commencing November 1, 2004
Options:	Two two-year options

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	<u>Cost per sq. ft. per month</u>	<u>Monthly</u>	<u>Annual</u>
Rent: (old)	\$1.02	\$750	\$9,000
(new)	\$1.09	\$800	\$9,600
Low-range for the Yucca Valley area			
Annual increases:	None		
Improvement Costs:	None		
Custodial:	Provided by County		
Maintenance:	Provided by Lessor		
Utilities:	Water and sewer provided by Lessor; electric, gas and trash provided by County		
Right to Terminate:	County has the right to terminate with 90-days notice		
Parking:	Sufficient for County needs		

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by County Counsel (Rex Hinesley, Chief Deputy County Counsel, 387-5465) on October 18, 2004; Third District (Jim Foster, Chief of Staff) on November 15, 2004; and the County Administrative Office (Daniel R. Kopp, 387-3828) on November 18, 2004.

FINANCIAL IMPACT: The total cost of this four-year lease agreement is \$38,400. The cost in 2004-05 is \$9,400 (\$750 per month x four months and \$800 per month x eight months). Lease payments will be made from the Rents budget (AAA RNT) and reimbursed from the Board of Supervisors budget (AAA BDF). Other costs associated with this lease include utilities and will be paid from the Board of Supervisor's budget. Sufficient appropriation is included in the 2004-05 Rents and Board of Supervisor's budgets. Annual lease costs are as follows:

<u>Year</u>	<u>Annual lease cost</u>	<u>Estimate of other costs associated with this lease</u>
November 1, 2004 to October 31, 2005	\$9,600	\$3,100
November 1, 2005 to October 31, 2006	\$9,600	\$3,200
November 1, 2006 to October 31, 2007	\$9,600	\$3,300
November 1, 2007 to October 31, 2008	\$9,600	\$3,400

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the Third District Supervisor's Office and RESD's proposal, and recommends this action based on the continuing need to provide services to the residents of the Yucca Valley area. This lease can be terminated with 90-days notice.

SUPERVISORIAL DISTRICT(S): Third

PRESENTER: David H. Slaughter, Director, 387-7813

SD: 387-7814 mf: 387-7825